

ITEM 146-101-C0110

BUDGET REDUCTION SUMMARY BY PROGRAM:

01 Administration Program		130,000
Office Administration	100,000	
Distance Learning	11,000	
Transferability	13,000	
Minority Achievement	3,500	
Board of Regents Administration	2,500	
02 Student Assistance		668,824
WICHE/WWAMI/MN DENTAL	287,328	
Governor's Post Secondary Scholarships	122,500	
Quality Educator Loan Forgiveness	60,247	
Other	198,749	
(Baker Grants, Work Study Program, Mt Higher Ed Grants, Match for SEOG & SLEAP Federal Programs, Nursing Loan Reimbursement Program)		
04 Community College Funding		436,774
09 Appropriation Distribution		6,303,353
Educational Units	5,208,091	
Fire Services Training School	37,220	
Extension Service	288,363	
Bureau of Mines	96,664	
Ag Experiment Station	615,086	
Forest Conservation Experiment Station	57,929	
11 Tribal College Assistance		22,050
TOTAL		7,561,001

Program 1 Administration Program

The proposed reduction to the OCHE Administration Program is \$106,000 approximately 6% of the administrative appropriation. Possible reductions in operating expenses and equipment replacement may amount to \$60,000, with the remaining reduction target coming from personnel services. Future vacancies will, of necessity, need to remain unfilled through FY 2011.

Distance Learning Reductions

Reductions will be made to distance learning assistance provided to the community colleges and educational units. This will have a negative impact on the ability of campuses to coordinate a system-wide distance learning initiative at a time when distance learning student enrollments are on the rise.

Transfer and Student Data Reductions

Operations will be reduced by \$13,000 in the transferability and student data initiative. This represents about 17% of the operational costs for this initiative. It means that meetings with campuses, training of the information technology staff and technical support of the student data warehouse will be reduced. The impact will be seen in increasing the length of time for OCHE to meet the goals and objectives for transferability and student data initiative.

Program 2 Student Assistance

Major Student Assistance programs include WICHE/WWAMI/MN DENTAL, Governor's Post Secondary scholarship, and Quality Educator Loan Forgiveness. A reduction in funding for student assistance programs will obviously result in fewer students receiving financial aid. Their efforts to begin or continue with their post secondary education plans could be seriously compromised.

Given the distinct possibility that 2011 budget reductions will be continued into the 2013 biennium and the reality of the multi-year commitments connected with many of these scholarships, it will most likely be necessary to reduce the number of new scholarships offered for FY 2011, FY 2012, and FY2013. Other programs within the Montana University System do not contain adequate funding to backfill these budget reductions.

The Community Colleges of the Montana University System receive their state appropriation for the purpose of providing post-secondary education to Montana residents. Therefore, a reduction in state appropriation will directly affect Montana residents. In order to minimize the impact, the Community Colleges will remain flexible and seek to reduce expenditures in area having the least possible direct impact on students.

The reduction of \$436,774 in state appropriations for the Community Colleges will adversely affect Montana residents. Potential impacts to students would include reductions in course offerings and student services. The funding loss could also reduce the Community Colleges ability to respond rapidly to local workforce and development needs.

The Education Units of the Montana University System receive their state appropriation for the purpose of providing post-secondary education to Montana residents. Therefore, the reduction of \$5.2 million dollars in state appropriation will directly affect Montana residents. In order to minimize the impact, units of the MUS will remain flexible and seek to reduce expenditures in areas having the least possible direct impact on students.

However, the anticipated impacts to students will likely be felt in several ways. The list will include diminished individual faculty and student interaction due to larger student-faculty ratios. Students will be at risk for taking longer to graduate due to fewer course offerings. In time, students will also see diminished assistance across a broad spectrum of academic support and student services as newly vacant positions will not be filled.

Although unique situations will dictate a range of specific reductions by campus, it is clear that a reduction of this magnitude, coming on the heels of an appropriation that was insufficient to fund present law cost increases – and with the anticipation of the loss of federal stimulus funding in the next biennium – cannot be managed without a loss of jobs and the resultant loss of student access to instruction and support services.

MSU Fire Services Training School

If a budget reduction is assessed in FY 2011, Fire Services Training School will defer replacement of a trainer's vehicle, eliminate two part-time trainers' cell phones generating a savings in communications, and reduce mailing expenses by changing from monthly to quarterly newsletters.

MSU Extension Service

The mission of the Montana State University Extension Service is to extend research-generated knowledge throughout the state by making it accessible and useful to individuals, families and communities, empowering them to improve their quality of life and strengthen agriculture, forestry and other stakeholders. To meet the educational needs of Montanans, Extension coordinates all appropriate educational and research resources in the region through campus-based specialists and a network of agents in 60 county and reservation offices.

The Extension Service current unrestricted budget is over 90% salary and benefits, leaving very little flexibility to absorb budget reductions from operating funds. As a result of the 2009 Legislative Session, Extension Service administration worked diligently to strategically address the funding shortfall created by a 3% increase in vacancy savings rate, a significant increase in overhead and a 2% across the board reduction. Six long-time faculty retired in the first three months of FY 10, with three of these positions continuing to be held vacant.

Any additional FY 11 budget reductions will be managed through additional position down-sizing and potential operations adjustments. The Extension Service is dedicated to maintaining our network of Extension agents across the state as the services that they provide to clientele are highly valued in the communities they serve.

The Bureau's general fund budget will be reduced by \$96,664. This amount is approximately equal to salary and benefits for a senior FTE. The reduction will be in the Research Division; the effect will be reduced services to the public, including loss of that individual to work on research projects, to answer questions from the public, and loss of the salary and benefits for matching on outside grants. The required match on outside grants is normally 1:1, so the total potential loss to the Bureau's research budget could be as much as twice the 5 percent cut, or \$193,328.

The Montana Agricultural Experiment Station (MAES) provides research and outreach to Montana in agricultural and natural resource systems through base support from Montana General Fund appropriation (85%) and Federal Hatch Formula Funds (15%). The Montana General Fund appropriation for ongoing (base) support for the FY11 Biennium (\$24.5M) was less than the FY09 Biennium (\$24.6M). The increase in facility and overhead costs, increase in vacancy savings, 2% across the board reductions, insufficient PLA funding, and flat Federal Funding has already reduced programs and responsiveness.

Further reductions in FY11 for MAES will significantly decrease or eliminate funding for research operations and personnel at multiple levels (undergraduate and graduate students, staff and faculty). This will decrease the Montana research enterprise, which will increase the magnitude of the divide between clientele expectations and need and a degraded, deficient research program at all locations (Bozeman, seven centers and multiple allied locations). Staff and faculty positions are split-funded, so cuts will dictate a cascade of impacts across all programs, including instruction and outreach. Prior funding shortfalls coupled with this pending reduction requires the targeting of specific research program foci for reduction including: animal and plant breeding/genetics, biobased products, communications, infectious diseases, rangeland ecology, and wheat stem sawfly. These actions will result in job losses and a permanent decline in Montana's agriculture research program scope.

Proposed 5% Reduction for the Montana Forest and Conservation Experiment Station
January 15, 2010

Wildland Fire and Bark Beetles are consuming a large number of trees and having major effects on Montana's Forests under the warmer climate that we currently are experiencing. To reduce Forest and Conservation research in view of these phenomena is very difficult given the tremendous demand that is expressed for new knowledge and technologies to deal with these issues. In addition, most of the funding for personnel of the Montana Forest and Conservation Experiment Station is split between the Station and the College of Forestry and Conservation at The University of Montana. Personnel have only partial appointments in the Station, but without the Station they have less than a full-time job and are likely to be lost as teachers in the College. To meet the challenge of a 5% reduction in Station funding, multiple budget lines will be affected. We would lose funding for the following functions or personnel:

- ½ of the research technician for the Applied Forest Management Program (the other half of the salary is paid by grants)
- Biometrics support for the MFCES (.07 faculty FTE to provide statistical support)
- 42% of the MFCES travel budget
- Approximately 1/3 of a faculty position (most likely in ecology or fire science)

Thus, we would eliminate

.5 FTE technician	\$19,000
.4 FTE faculty member (.33 + .07)	\$31,929
42% of travel	\$ 7,000
TOTAL	\$57,929

Program 11 Tribal College Assistance Program

A 5% reduction (\$22,050) in the Tribal College Assistance Program will result in a reduced reimbursement, for each of the estimated 312 beneficiary students, of approximately \$71 per student. The funding available in FY09 was sufficient to fund the statutory maximum of \$3,024 per student. With this proposed reduction, the estimated per student disbursement for FY11 is estimated to be \$2,785.